

**Exhibit 3**

### **WAREHOUSE CLAIM SETTLEMENT AGREEMENT**

In re: People's Choice Home Loan, Inc., et al (2:12-bk-15811-RK jointly administered with 2:12-bk-16200-RK and 2:12-bk-16201-RK formerly 8:07-10765-RK jointly administered with 8:07-10767-RK and 8:07-10772-RK)

This Settlement Agreement (the "Settlement Agreement") is entered into by and between Ronald F. Greenspan, in his representative capacity as the Trustee (the "Liquidating Trustee") of the Liquidating Trust (the "PCHLI Trust") of People's Choice Home Loan, Inc. ("PCHLI"), the Liquidating Trust (the "PCFI Trust") of People's Choice Funding, Inc. ("PCFI") and the Liquidating Trust (the "PCFC Trust") of People's Choice Financial Corporation ("PCFC") (the PCHLI Trust, the PCFI Trust and the PCFC Trust, collectively, the "PC Trusts"), on the one hand, and Residential Funding Company, LLC (formerly known as Residential Funding Corporation) ("Claimant" or "RFC"), on the other hand, by and through those parties or their counsel, and is based on the following recitals:

### **RECITALS**

A. On or about March 20, 2007 (the "Petition Date"), each of PCHLI, PCFI and PCFC (collectively, the "Debtors") filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Cases") in the United States Bankruptcy Court for the Central District of California, Santa Ana Division (the "PC Bankruptcy Court").

B. On May 14, 2012, RFC and certain of its affiliates filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York (the "RFC Bankruptcy Court"). RFC's bankruptcy case, which was assigned case number 12-12019, is jointly administered under the bankruptcy case of Residential Capital, LLC, which was assigned case number 12-12020 (the "RFC Bankruptcy Case").

C. On or about August 6, 2008, the PC Bankruptcy Court entered an order (the "Confirmation Order") confirming the Committee's First Amended Liquidating Plan under Chapter 11 of the Bankruptcy Code (the "Plan"). The Plan became effective on or about August 12, 2008. On the effective date of the Plan, and subject to the terms and conditions of the Plan and Confirmation Order, among other things, the Liquidating Trust Agreement for each of the PC Trusts (collectively, "Liquidating Trust Agreement") became effective, and the Liquidating Trustee began to manage and administer the PC Trusts subject to the terms and conditions of the Liquidating Trust Agreements.

D. Pursuant to the Plan, and subject to the terms and conditions of the Plan, the Confirmation Order and the Liquidating Trust Agreements, the Liquidating Trustee is directed to administer the PC Trusts by, among other things, (i) reducing remaining property to cash, (ii) evaluating claims against the Debtors and objecting to, allowing or otherwise resolving such claims, (iii) evaluating and pursuing, releasing or otherwise resolving affirmative relief against third-parties, and (iv) making distributions of cash to Beneficiaries under and as defined in the Liquidating Trust Agreements.

E. RFC made loans, advances or otherwise extended financial accommodations to PCHLI and PCFI pursuant to the Second Amended and Restated Warehousing Credit and Security Agreement dated as of December 28, 2004 (as amended, modified or otherwise supplemented, the "Warehouse Credit Agreement") by and among RFC, PCHLI and PCFI. PCFC guaranteed the indebtedness of PCHLI and PCFI under the Warehouse Credit Agreement, pursuant to the Guaranty dated as of December 28, 2004 (the "Guaranty"). To secure payment of the obligations under the Warehouse Credit Agreement, PCHLI and PCFI granted RFC a security interest in, among other collateral, certain mortgage loans (the "Pledged Loans").

F. On May 22, 2007, RFC conducted a public sale (the "Public Sale") of the Pledged Loans. At the Public Sale, the Pledge Loans were sold for \$210,552,049.48, resulting in a deficiency (per RFC) of \$48,086,878.67.

G. On March 25, 2008, the PC Bankruptcy Court entered an order approving a Settlement Agreement dated as of February 4, 2008 (the "Secured Claim Settlement Agreement") between the Debtors and RFC and its affiliate Homecomings Financial, LLC ("Homecomings") in which the parties, for an agreed upon payment of \$725,000.00 from the Debtors to RFC (the "Settlement Payment"), settled certain secured claims of RFC and Homecomings against the Debtors and certain rights and obligations of RFC and Homecomings under the *Stipulation re Adequate Protection Pursuant to Sections 361 and 363 of the Bankruptcy Code; Final Order Thereon entered April 30, 2007* (the "Adequate Protection Stipulation"), in which RFC, Homecomings and other Adequate Protection Parties, as such term is defined in the Adequate Protection Stipulation, had been granted replacement liens to the extent they each could establish that the Debtors' cash on hand as of the Petition Date constitutes an "interest of an entity in property" pursuant to section 361 and/or "cash collateral" pursuant to section 363 of the Bankruptcy Code.

H. PCHLI as Seller and RFC as Purchaser entered into (i) a "Client Contract" dated July 19, 2000, (ii) a Mortgage Loan Purchase and Sale Agreement dated as of September 1, 2006 and (iii) other related documents (collectively, the "Purchase Agreements").

I. On April 7, 2008, Claimant filed an amended proof of claim (the "PCHLI Proof of Claim") in PCHLI's chapter 11 case against PCHLI identified as Claim No. 508 (the "PCHLI Claim") in the amount of \$90,312,824.79, comprised of (i) \$48,086,878.67 relating to certain alleged obligations of PCHLI and PCFI under the Warehouse Credit Agreement (the "Warehouse Claim"), (ii) \$42,079,121.08 for damages suffered as a result of alleged breaches and mortgage loan repurchase obligations of PCHLI under the Purchase Agreements (the "Repurchase Obligations Claim"), and (iii) an additional \$146,825.04 in costs in connection with mortgage loan sales to RFC (the "Additional Costs Claim"). Claimant asserted that \$725,000 was a secured claim (the "RFC Secured Claim") for the unpaid Settlement Payment (in the PCHLI Claim, Claimant states that at the time it filed such claim Claimant had not received the Settlement Payment of \$725,000 from PCHLI pursuant to the Secured Claim Settlement Agreement, although, as discussed in paragraph K below, such payment was made by PCHLI on the date such claim was filed). Claim No. 508 amended and superseded Claim No. 404 filed by RFC in the PCHLI Case on August 30, 2007.

J. Also on April 7, 2008, Claimant filed an amended proof of claim (the "PCFI Proof of Claim") in PCFI's chapter 11 case identified as Claim No. 119 (the "PCFI Claim").

asserting the RFC Secured Claim and Warehouse Unsecured Claim. Claim No. 119 amended and superseded Claim No. 103 filed by RFC in the PCFI Case on August 30, 2007.

K. Additionally on April 7, 2008, Claimant filed an amended proof of claim (the "PCFC Proof of Claim," and collectively with the PCHLI Proof of Claim and the PCFI Proof of Claim, the "Proofs of Claim") in PCFC's chapter 11 case identified as Claim No. 127 (the "PCFC Claim," and collectively with the PCHLI Claim and the PCFI Claim, the "Claims") claiming under the Guaranty (the "Guaranty Claim") unsecured amounts equal to the RFC Secured Claim and Warehouse Unsecured Claim collectively. Claim No. 127 amended and superseded Claim No. 112 filed by RFC in the PCFC Case on August 30, 2007.

L. Further on April 7, 2008, PCHLI paid the Settlement Payment of \$725,000.00 to RFC pursuant to the Secured Claim Settlement Agreement and the Court order approving the Settlement Agreement to settle the secured obligations of the Debtors to RFC and Homecomings set forth in the Secured Claim Settlement Agreement. Such Settlement Payment satisfied the RFC Secured Claim asserted in each of PCHLI Proof of Claim and PCFI Proof of Claim and reduced the claimed amount under the PCFC Proof of Claim by the amount of such payment. As a result of the Settlement Payment, the remaining general unsecured Warehouse Claim was \$47,361,878.67.

M. The Debtors and subsequently the Liquidating Trustee requested additional information and documents in support of the Proofs of Claim, including *inter alia* the Warehouse Unsecured Claim, and the parties have negotiated in good faith to resolve the Claims and objections of the Liquidating Trustee thereto. The terms of the parties' agreement with respect to the Warehouse Unsecured Claim are memorialized below. As discussed above, the RFC Secured Claim was previously settled. The Repurchase Obligation Claim and Additional Cost Claim are not addressed in this Settlement Agreement, and are the subject of an entirely separate settlement agreement between the PC Trusts and RFC.

N. The parties hereto acknowledge that the Claimant shall not be entitled to interest on its Warehouse Unsecured Claim from and after the Petition Date, which interest totals \$3,279,320.12.

### TERMS

Based on the mutual promises contained herein and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Recitals Acknowledged. The foregoing recitals are true and correct to the best of the parties' knowledge, and are hereby adopted by the parties.

2. Allowance of General Unsecured Claim. The PC Trusts and Claimant hereby agree that Claim No. 119 against PCFI, Claim No. 127 against PCFC and the Warehouse Unsecured Claim portion of Claim No. 508 against PCHLI shall each be reduced and each allowed as general, unsecured, non-priority claims under the Debtors' Plan each in the amount of \$44,082,558.55 (the "Allowed Warehouse Unsecured Claim"). For the avoidance of doubt, the Claimant shall have three such separate allowed claims under the Plan.

3. Amendment to Proofs of Claim. This Settlement Agreement serves as Claimant's "Amended Claim" with respect to each of the PCFI Proof of Claim, the PCFC Proof of Claim and the Warehouse Unsecured Claim portion of the PCHLI Proof of Claim. After the Effective Date, the Trustee will update the claims management database to reflect the allowance of the Amended Claims and will provide a copy of the Settlement Agreement to Kurtzman Carson Consultants LLC, the Debtors' Claims Agent. No further action need be taken by Claimant with respect to its Proofs of Claim or the Amended Claims. By signing this Settlement Agreement, Claimant agrees and warrants that the Amended Claims, deemed allowed by this Settlement Agreement, are the sole claim that Claimant has, could assert, and will assert against the Liquidating Trustee, the Debtors, and/or the PC Trusts with respect to the PCFI Claim, the PCFC Claim and the Warehouse Unsecured Claim portion of the PCHLI Claim.

4. Effective Date of this Settlement Agreement. This Settlement Agreement shall become effective and binding upon approval by both the PC Bankruptcy Court in the Debtors' Cases and the RFC Bankruptcy Court in the RFC Bankruptcy Case (the "Effective Date"). This Settlement Agreement shall be of no force and effect until both such approvals are obtained.

5. Authority. By signing this Settlement Agreement, each of the parties hereto represents that, subject to the PC Bankruptcy Court and the RFC Bankruptcy Court approval, as applicable, it has the full authority and power to enter into this Settlement Agreement and this Settlement Agreement is the legal, valid and binding obligation thereof.

6. Ownership of Claims, No Conflicts. Each Party represents that it is the sole and exclusive owner of all rights, interests, and claims being transferred, conveyed, released or compromised by it pursuant to this Settlement Agreement, subject to any lien (a "Lien") on such rights, interests or claims, if any, that may heretofore have been granted by such Party. Neither the execution and delivery of this Agreement by such Party nor the transfer, conveyance, release or compromise of such Party's rights, interests, and claims in accordance herewith shall require the approval or consent of the holder of any Lien or violate, conflict with, or constitute a default under or breach of any obligation of such Party with respect to such Lien. Each Party shall indemnify the other Party from and against any losses, claims or liabilities arising out of the breach of the representations by such Party in this Section..

7. Binding on Successors. This Settlement Agreement is intended by the parties to be binding upon their successors, agents, assigns, including bankruptcy trustees and estate representatives, and any parent, subsidiary or affiliated entity of each party.

8. Negotiation of Agreement. Each of the parties and their respective counsel has participated in the negotiation of the terms of this Settlement Agreement. All parties hereto represent and warrant that they have carefully read and fully understand all of the provisions of this Settlement Agreement and that they have voluntarily and knowingly signed this Settlement Agreement. This Settlement Agreement shall not be construed for or against either party based on the extent of either party's involvement with its drafting.

9. Entire Agreement. This Settlement Agreement is the entire agreement between the parties with respect to the subject matter hereof. This Settlement Agreement supersedes all prior and contemporaneous oral and written agreements and discussions among the parties concerning the subject matter of this Settlement Agreement.

10. Governing Law. This Settlement Agreement shall be governed by and construed in accordance with the law of the State of California, without regard to the principles thereof regarding conflicts of laws. The parties agree that the PC Bankruptcy Court shall have exclusive jurisdiction to determine all matters relating to this Settlement Agreement, other than any matters related to the RFC Bankruptcy Court's consideration and approval of this Settlement Agreement, and consent to venue in such Court.

11. Counterparts and Signatures. This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument. Facsimile signatures, or signatures transferred in PDF format, shall be treated as original signatures for all purposes.

12. Attorneys' Fees. Each party shall bear its or their own attorneys' fees, court costs and related expenses incurred by or on behalf of said party in connection with this Settlement Agreement.

13. Headings. Headings within this Settlement Agreement are for convenient reference only and have no effect in limiting or extending the language of the provisions to which they refer.

Dated: November 14, 2012

Ronald F. Greenspan  
Ronald F. Greenspan  
as Trustee of the PCHLI, PCFI and PCFC  
Liquidating Trusts

Dated: November \_\_, 2012

\_\_\_\_\_ as \_\_\_\_\_ of Residential Funding Company, LLC

Approved as to form:  
This 19<sup>th</sup> day of November 2012:

Pachulski Stang Ziehl & Jones LLP

By Stanley E. Goldich  
Attorneys for the Liquidating Trustee

Approved as to form:  
This \_\_\_\_ day of November 2012:

Faegre Baker Daniels LLP

10. Governing Law. This Settlement Agreement shall be governed by and construed in accordance with the law of the State of California, without regard to the principles thereof regarding conflicts of laws. The parties agree that the PC Bankruptcy Court shall have exclusive jurisdiction to determine all matters relating to this Settlement Agreement, other than any matters related to the RFC Bankruptcy Court's consideration and approval of this Settlement Agreement, and consent to venue in such Court.

11. Counterparts and Signatures. This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument. Facsimile signatures, or signatures transferred in PDF format, shall be treated as original signatures for all purposes.

12. Attorneys' Fees. Each party shall bear its or their own attorneys' fees, court costs and related expenses incurred by or on behalf of said party in connection with this Settlement Agreement.

13. Headings. Headings within this Settlement Agreement are for convenient reference only and have no effect in limiting or extending the language of the provisions to which they refer.

Dated: November \_\_, 2012

\_\_\_\_\_  
Ronald F. Greenspan  
as Trustee of the PCHLI, PCFI and PCFC  
Liquidating Trusts

14  
Dated: November \_\_, 2012

\_\_\_\_\_  
*Deanna Horst*  
as SVP of Residential Funding Company, LLC

Approved as to form:  
This \_\_\_\_ day of November 2012:

Pachulski Stang Ziehl & Jones LLP

By \_\_\_\_\_  
Attorneys for the Liquidating Trustee

Approved as to form:  
This 16<sup>th</sup> day of November 2012:

Faegre Baker Daniels LLP

By   
Attorneys for Claimant



### **REPURCHASE CLAIM SETTLEMENT AGREEMENT**

In re: People's Choice Home Loan, Inc., et al (8:07-10765-RK jointly administered with  
8:07-10767-RK and 8:07-10772-RK)

This Settlement Agreement (the "Settlement Agreement") is entered into by and between Ronald F. Greenspan, in his representative capacity as the Trustee (the "Liquidating Trustee") of the Liquidating Trust (the "PCHLI Trust") of People's Choice Home Loan, Inc. ("PCHLI"), the Liquidating Trust (the "PCFI Trust") of People's Choice Funding, Inc. ("PCFI") and the Liquidating Trust (the "PCFC Trust") of People's Choice Financial Corporation ("PCFC") (the PCHLI Trust, the PCFI Trust and the PCFC Trust, collectively, the "PC Trusts"), on the one hand, and Residential Funding Company, LLC (formerly known as Residential Funding Corporation) ("Claimant" or "RFC"), on the other hand, by and through those parties or their counsel, and is based on the following recitals:

#### **RECITALS**

A. On or about March 20, 2007, each of PCHLI, PCFI, and PCFC (collectively, the "Debtors") filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Cases") in the United States Bankruptcy Court for the Central District of California, Santa Ana Division (the "PC Bankruptcy Court").

B. On May 14, 2012, RFC and certain of its affiliates filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York (the "RFC Bankruptcy Court"). RFC's bankruptcy case, which was assigned case number 12-12019, is jointly administered under the bankruptcy case of Residential Capital, LLC, which was assigned case number 12-12020 (the "RFC Bankruptcy Case").

C. On or about August 6, 2008, the PC Bankruptcy Court entered an order (the "Confirmation Order") confirming the Committee's First Amended Liquidating Plan under Chapter 11 of the Bankruptcy Code (the "Plan"). The Plan became effective on or about August 12, 2008. On the effective date of the Plan, and subject to the terms and conditions of the Plan and Confirmation Order, among other things, the "Liquidating Trust Agreement" for each of the PC Trusts became effective, and the Liquidating Trustee began to manage and administer the PC Trusts subject to the terms and conditions of the Liquidating Trust Agreements.

D. Pursuant to the Plan, and subject to the terms and conditions of the Plan, the Confirmation Order and the Liquidating Trust Agreement, the Liquidating Trustee is directed to administer the PC Trusts by, among other things, (i) reducing remaining property to cash, (ii) evaluating claims against the Debtors and objecting to, allowing or otherwise resolving such claims, (iii) evaluating and pursuing, releasing or otherwise resolving affirmative relief against third-parties, and (iv) making distributions of cash to Beneficiaries under and as defined in the Liquidating Trust Agreements.

E. PCHLI as Seller and RFC as Purchaser entered into (i) a "Client Contract" dated July 19, 2000, (ii) a Mortgage Loan Purchase and Sale Agreement dated as of September 1, 2006 and (iii) other related documents (collectively, the "Purchase Agreements"). Pursuant to the Purchase Agreements, RFC agreed to purchase certain mortgage loans (the "Mortgage Loans")

from PCHLI, subject to repurchase obligations (the "Repurchase Obligations"). The Purchase Agreements set forth various conditions, i.e. an early payment default ("EPD"), under which PCHLI is required to repurchase the Mortgage Loans from RFC. PCHLI also made other representations, warranties and covenants to RFC pertaining to the Mortgage Loans sold by PCHLI to RFC where a breach required PCHLI to repurchase the Mortgage Loans (a "Representation or Warranty Breach").

F. On April 7, 2008, Claimant filed an amended proof of claim in PCHLI's chapter 11 case (the "Proof of Claim") identified as Claim No. 508 in the total amount of \$90,312,824.79 asserting a secured claim against PCHLI in the amount of \$725,000 (the "RFC Secured Claim") and a general unsecured claim against PCHLI in the amount of \$89,587,824.79, comprised of (i) \$47,361,878.67 relating to certain alleged Credit Agreement Obligations of PCHLI (the "Warehouse Unsecured Claim"), (ii) \$42,079,121.08 for damages suffered as a result of alleged breaches and Repurchase Obligations of PCHLI under the Purchase Agreements (the "Repurchase Obligations Claim"), and (iii) an additional \$146,825.04 in costs in connection with Mortgage Loan sales to RFC (the "Additional Costs Claim"). Claim No. 508 amended and superseded Claim No. 404 filed by RFC on August 30, 2007.

G. The Debtors and subsequently the Liquidating Trustee requested additional information and documents in support of the Proof of Claim, including *inter alia* the validity of the asserted breaches and the appropriateness and amount of the asserted losses and claims with respect to Repurchase Obligations Claim, and the parties have negotiated in good faith to resolve the Proof of Claim and objections of the Liquidating Trustee thereto. The terms of the parties' agreement with respect to the Repurchase Obligations Claim and the Additional Costs Claim are memorialized below. The RFC Secured Claim was previously settled and the Warehouse Unsecured Claim is not addressed in this Settlement Agreement and is the subject of an entirely separate settlement agreement between the PC Trusts and RFC that also involves Claim Nos. 119 and 127 filed by RFC against PCFI and PCFC respectively.

H. Based on the Liquidating Trustee's review of the Proof of Claim and information and documentation provided by Claimant in support of the asserted Representation and Warranty Breaches and EPDs and the amount of damages incurred by Claimant relating thereto, the Liquidating Trustee determined that the Allowed RFC Repurchase Claim (defined below) should be allocated to the Mortgage Loans and in the amounts as set forth below and in **Exhibit A** hereto.

### TERMS

Based on the mutual promises contained herein and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Recitals Acknowledged. The foregoing recitals are true and correct to the best of the parties' knowledge, and are hereby adopted by the parties.

2. Allowance of General Unsecured Claim. The PC Trusts and Claimant hereby agree that the Repurchase Obligations Claim and Additional Costs Claim portions of Claim No. 508 shall be reduced and allowed as a general, unsecured, non-priority claim against PCHLI under the Debtors' Plan in the total amount of \$21,321,618 (the "Allowed RFC Repurchase Claim"), \$21,174,793 for the Repurchase Obligations Claim and \$146,825 for the Additional

Costs Claim. The Repurchase Obligations Claim portion of the Allowed RFC Repurchase Claim shall be allocated to the Mortgage Loans and in the amounts set forth in **Exhibit A** hereto which sets forth the agreed amount of the Claimant's damages for each of the identified Mortgage Loans.

3. Amendment to Proof of Claim. This Settlement Agreement serves as Claimant's "Amended Claim" with respect to the Repurchase Obligations Claim and the Additional Costs Claim. After the Effective Date, the Trustee will update the claims management database to reflect the allowance of the Amended Claim against PCHLI in the amount of \$21,321,618 and will provide a copy of the Settlement Agreement to Kurtzman Carson Consultants LLC, the Debtors' Claims Agent. No further action need be taken by Claimant with respect to its Proof of Claim or the Amended Claim with respect to the Repurchase Obligations Claim and the Additional Costs Claim portions of Claim No. 508. By signing this Settlement Agreement, Claimant agrees and warrants that the Amended Claim, deemed allowed by this Settlement Agreement, is the sole claim that Claimant has, could assert, and will assert against the Liquidating Trustee, the Debtors, and/or the PC Trusts with respect to the Repurchase Obligations Claim and the Additional Costs Claim.

4. Effective Date of this Settlement Agreement. This Settlement Agreement shall become effective and binding upon approval by both the PC Bankruptcy Court in the Debtors' Cases and the RFC Bankruptcy Court in the RFC Bankruptcy Case (the "Effective Date"). This Settlement Agreement shall be of no force or effect until both such approvals are obtained.

5. Authority. By signing this Settlement Agreement, each of the parties hereto represents that, subject to PC Bankruptcy Court and RFC Bankruptcy Court approval, as applicable, it has the full authority and power to enter into this Settlement Agreement and this Settlement Agreement is the legal, valid and binding obligation thereof.

6. Ownership of Claims, No Conflicts. Each Party represents that it is the sole and exclusive owner of all rights, interests, and claims being transferred, conveyed, released or compromised by it pursuant to this Settlement Agreement, subject to any lien (a "Lien") on such rights, interests or claims, if any, that may heretofore have been granted by such Party. Neither the execution and delivery of this Agreement by such Party nor the transfer, conveyance, release or compromise of such Party's rights, interests, and claims in accordance herewith shall require the approval or consent of the holder of any Lien or violate, conflict with, or constitute a default under or breach of any obligation of such Party with respect to such Lien. Each Party shall indemnify the other Party from and against any losses, claims or liabilities arising out of the breach of the representations by such Party in this Section.

7. Binding on Successors. This Settlement Agreement is intended by the parties to be binding upon their successors, agents, assigns, including bankruptcy trustees and estate representatives, and any parent, subsidiary or affiliated entity of each party.

8. Negotiation of Agreement. Each of the parties and their respective counsel has participated in the negotiation of the terms of this Settlement Agreement. All parties hereto represent and warrant that they have carefully read and fully understand all of the provisions of this Settlement Agreement and that they have voluntarily and knowingly signed this Settlement Agreement. This Settlement Agreement shall not be construed for or against either party based

on the extent of either party's involvement with its drafting.

9. Entire Agreement. This Settlement Agreement is the entire agreement between the parties with respect to the subject matter hereof. This Settlement Agreement supersedes all prior and contemporaneous oral and written agreements and discussions among the parties concerning the subject matter of this Settlement Agreement.


10. Governing Law. This Settlement Agreement shall be governed by and construed in accordance with the law of the State of California, without regard to the principles thereof regarding conflicts of laws. The parties agree that the PC Bankruptcy Court shall have exclusive jurisdiction to determine all matters relating to this Settlement Agreement, other than any matters related to the RFC Bankruptcy Court's consideration and approval of this Settlement Agreement, and consent to venue in such Court.

11. Counterparts and Signatures. This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument. Facsimile signatures, or signatures transferred in PDF format, shall be treated as original signatures for all purposes.

12. Attorneys' Fees. Each party shall bear its or their own attorneys' fees, court costs and related expenses incurred by or on behalf of said party in connection with this Settlement Agreement.

13. Headings. Headings within this Settlement Agreement are for convenient reference only and have no effect in limiting or extending the language of the provisions to which they refer.

Dated: November 14, 2012

  
Ronald F. Greenspan  
as Trustee of the PCHLI, PCFI and PCFC  
Liquidating Trusts

Dated: November \_\_, 2012

as \_\_\_\_\_ of Residential Funding Company, LLC

Approved as to form:

This 17th day of November 2012:

Pachulski Stang Ziehl & Jones LLP

By 

Stanley E. Goldich

Attorneys for the Liquidating Trustee

on the extent of either party's involvement with its drafting.

9. Entire Agreement. This Settlement Agreement is the entire agreement between the parties with respect to the subject matter hereof. This Settlement Agreement supersedes all prior and contemporaneous oral and written agreements and discussions among the parties concerning the subject matter of this Settlement Agreement.

10. Governing Law. This Settlement Agreement shall be governed by and construed in accordance with the law of the State of California, without regard to the principles thereof regarding conflicts of laws. The parties agree that the PC Bankruptcy Court shall have exclusive jurisdiction to determine all matters relating to this Settlement Agreement, other than any matters related to the RFC Bankruptcy Court's consideration and approval of this Settlement Agreement, and consent to venue in such Court.

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13. Headings. Headings within this Settlement Agreement are for convenient reference only and have no effect in limiting or extending the language of the provisions to which they refer.

Dated: November \_\_, 2012

\_\_\_\_\_  
Ronald F. Greenspan  
as Trustee of the PCHLI, PCFI and PCFC  
Liquidating Trusts

Dated: November <sup>14</sup> \_\_, 2012

\_\_\_\_\_  
Deanna Horst  
as SVP of Residential Funding Company, LLC

Approved as to form:  
This \_\_\_\_ day of November 2012:


Pachulski Stang Ziehl & Jones LLP

By \_\_\_\_\_  
Stanley E. Goldich  
Attorneys for the Liquidating Trustee

Approved as to form:

This 16<sup>th</sup> day of November 2012:

Faegre Baker Daniels LLP

By   
Attorneys for Claimant

**People's Choice Home Loan, Inc.  
Residential Funding Company LLC**

PC Loan # (Truncated)	RFC Loan # (Truncated)	Repurchase Reason 1	Repurchase Reason 2	Governing Document(s)	Repurchase Reason 1 Breached Term(s) Sections	Repurchase Reason 2 Breached Term(s) Sections	Settlement Amount
XXXX1646	XXXX6299	Appl/Value Misrep	Undisclosed Non-Arms Length Transaction	Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(T) [Underwriting; Appraisal]; A202(KK) [Fraud/Misrep]; A203(I) [Property Value]; A206 [Integrity of Info]	B300(B) [Non-Arm's Length Transaction]	\$ 317,361
XXXX1641	XXXX5351	Appl/Value Misrep	Occupancy	Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(T) [Underwriting; Appraisal]; A202(KK) [Fraud; Misrep]; A203(I) [Property Value]	A202(A); A202(KK); 301(A) [Primary Resid]	207,663
XXXX3299	XXXX7969	Appl/Value Misrep		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(t) [Appraisal Compliance]; 3.3(oo) [Underwriting]; 3.3(tt) [No Fraud]		128,311
XXXX8062	XXXX6157	Appl/Value Misrep		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(T) [Underwriting; Appraisal]; A202(KK) [Fraud/Misrep]; A203(I) [Property Value]; A206 [Integrity of Info]		155,524
XXXX3306	XXXX7971	Appl/Value Misrep		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(t) [Appraisal Compliance]; 3.3(oo) [Underwriting]; 3.3(tt) [No Fraud]		82,658
XXXX9667	XXXX4713	Appl/Value Misrep		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(KK) [Fraud; Misrep]; A203(I) [Property Value]		71,227
XXXX5128	XXXX2831	Appl/Value Misrep		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(T) [Underwriting; Appraisal]; A202(KK) [Fraud; Misrep]; A203(I) [Property Value]		36,639
XXXX7486	XXXX1173	Appl/Value Misrep	Ineligible Property & Property Issue	Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(T) [Underwriting; Appraisal]; A202(KK) [Fraud; Misrep]	A202(Q) [Adverse Circumst]; 322 [Ineligible Property]	65,761
XXXX5285	XXXX6051	Appl/Value Misrep		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(T) [Underwriting; Appraisal]; A202(KK) [Fraud; Misrep]; A203(I) [Property Value]		70,210
XXXX4272	XXXX3105	Appl/Value Misrep		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(T) [Underwriting; Appraisal]; A202(KK) [Fraud; Misrep]; A203(I) [Property Value]		57,462
XXXX6828	XXXX1855	Asset/Value Misrep	Undisclosed Debt	Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(T) [Underwriting; Appraisal]; A202(KK) [Fraud; Misrep]; A203(I) [Property Value]	A202(A); A202(T); A202(KK)	89,209
XXXX2879	XXXX5597	Asset/Value Misrep		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(T) [Appraisal]; A202(KK) [Fraud; Misrep]; A203(I) [Property Value]		43,790
XXXX5613	XXXX2729	Compliance Issue (balloon payment information and calculation missing)	Bankruptcy of PCHL	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(k) [Compliance]; 3.3(tt) [No Fraud]	3.4(a)-(b) [Repurchase]; 4.1 [Indemnification]	230,718
XXXX2492	XXXX2709	Compliance Issue (balloon payment information incorrect)	Bankruptcy of PCHL	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(k) [Compliance]; 3.3(tt) [No Fraud]	3.4(a)-(b) [Repurchase]; 4.1 [Indemnification]	359,815
XXXX5844	XXXX2499	Compliance Issue (balloon payment information incorrect)	Bankruptcy of PCHL	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(k) [Compliance]; 3.3(tt) [No Fraud]	3.4(a)-(b) [Repurchase]; 4.1 [Indemnification]	118,173

PC Loan # (Truncated)	RFC Loan # (Truncated)	Repurchase Reason 1	Repurchase Reason 2	Governing Document(s)	Repurch Reason 1 Breached Term(s) Sections	Repurch Reason 2 Breached Term(s) Sections	Settlement Amount
XXXX1836	XXXX2703	Compliance Issue (balloon payment information missing; TILA violation)	Bankruptcy of PCHL	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(k) [Compliance]; 3.3(tt) [No Fraud]	3.4(a)-(b) [Repurchase]; 4.1 [Indemnification]	237,813
XXXX1923	XXXX8465	Compliance Issue (erroneous amort. Calc)	Bankruptcy of PCHL	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(k) [Compliance]; 3.3(tt) [No Fraud]	3.4(a)-(b) [Repurchase]; 4.1 [Indemnification]	57,458
XXXX2773	XXXX2605	Compliance Issue (Georgia high cost loan)	Bankruptcy of PCHL	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(k) [Compliance]; 3.3(z) [High Cost Loan]; 3.3(aa) [GA high cost]; 3.3(oo) [Underwriting Standards]; 3.3(tt) [No Fraud]	3.4(a)-(b) [Repurchase]; 4.1 [Indemnification]	42,001
XXXX9584	XXXX1147	Compliance Issue (MA high cost loan)	Bankruptcy of PCHL	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(k) [Compliance]; 3.3(z) [High Cost Loan]; 3.3(tt) [No Fraud]	3.4(a)-(b) [Repurchase]; 4.1 [Indemnification]	135,019
XXXX3653	XXXX9479	Compliance Issue (New York high cost loan)	Bankruptcy of PCHL	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(k) [Compliance]; 3.3(z) [High Cost Loan]; 3.3(tt) [No Fraud]	3.4(a)-(b) [Repurchase]; 4.1 [Indemnification]	14,962
XXXX2542	XXXX697	Compliance Issue (nondisclosure of balloon payment)	Bankruptcy of PCHL	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(k) [Compliance]; 3.3(tt) [No Fraud]	3.4(a)-(b) [Repurchase]; 4.1 [Indemnification]	107,590
XXXX7861	XXXX2503	Compliance Issue (nondisclosure of balloon payment)	Bankruptcy of PCHL	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(k) [Compliance]; 3.3(tt) [No Fraud]	3.4(a)-(b) [Repurchase]; 4.1 [Indemnification]	274,312
XXXX5909	XXXX2539	Compliance Issue (nondisclosure of balloon payment)	Bankruptcy of PCHL	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(k) [Compliance]; 3.3(tt) [No Fraud]	3.4(a)-(b) [Repurchase]; 4.1 [Indemnification]	59,559
XXXX0691	XXXX2697	Compliance Issue (nondisclosure of balloon payment)	Bankruptcy of PCHL	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(k) [Compliance]; 3.3(tt) [No Fraud]	3.4(a)-(b) [Repurchase]; 4.1 [Indemnification]	34,796
XXXX5500	XXXX6939	Compliance Issue (understated finance charge)	Bankruptcy of PCHL	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(k) [Compliance]; 3.3(tt) [No Fraud]	3.4(a)-(b) [Repurchase]; 4.1 [Indemnification]	160,365
XXXX2141	XXXX9031	Employ/Inc Misrep	Undisclosed Debt	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(oo) [Underwriting]; 3.3(tt) [No Fraud]	3.1(m); 3.3(a); 3.3(oo); 3.3(tt)	271,599
XXXX0244	XXXX187	Employ/Inc Misrep	Undisclosed Debt	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(oo) [Underwriting]; 3.3(tt) [No Fraud]	3.1(m); 3.3(a); 3.3(oo); 3.3(tt)	253,324
XXXX3525	XXXX5813	Employ/Inc Misrep		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(KK) [Fraud, Misrep]; A202(T) [Underwriting]		301,566
XXXX0939	XXXX6073	Employ/Inc Misrep		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(T) [Underwriting]; A202(KK) [Fraud/Misrep]; A206 [Integrity of Info]		298,295
XXXX2499	XXXX5845	Employ/Inc Misrep		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(T) [Underwriting]; A202(KK) [Fraud/Misrep]; A206 [Integrity of Info]		231,859
XXXX9805	XXXX6159	Employ/Inc Misrep		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(KK) [Fraud/Misrep]; A202(T) [Underwriting]; A206 [Integrity of Info]		159,811



PC Loan # (Truncated)	RFC Loan # (Truncated)	Repurchase Reason 1	Repurchase Reason 2	Governing Document(s)	Repurch Reason 1 Breached Term(s) Sections	Repurch Reason 2 Breached Term(s) Sections	Settlement Amount
XXXX6432	XXXX5953	Employ/Inc Misrep		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(KK) [Fraud/Misrep]; A206 [Integrity of Info]		201,967
XXXX8614	XXXX7087	Employ/Inc Misrep		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(oo) [Underwriting]; 3.3(tt) [No Fraud]		133,027
XXXX4460	XXXX1289	Employ/Inc Misrep	Undisclosed Debt	Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(KK) [Fraud, Misrep]	A202(A) [Accuracy of Info]; A202(KK) [Fraud, Misrep]	139,962
XXXX7695	XXXX1183	Employ/Inc Misrep		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(T) [Underwriting]; A202(KK) [Fraud, Misrep]		142,484
XXXX1772	XXXX609	Employ/Inc Misrep		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(tt) [No Fraud]		116,145
XXXX3440	XXXX3307	Employ/Inc Misrep		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(T) [Underwriting]; A202(KK) [Fraud, Misrep]		108,755
XXXX5586	XXXX9539	Employ/Inc Misrep		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(tt) [No Fraud]		100,100
XXXX0881	XXXX291	Employ/Inc Misrep	Undisclosed Debt	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(oo) [Underwriting]; 3.3(tt) [No Fraud]	3.1(m); 3.3(a); 3.3(oo); 3.3(tt)	94,236
XXXX0516	XXXX1217	Employ/Inc Misrep		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(KK) [Fraud, Misrep]		100,448
XXXX9014	XXXX3791	Employ/Inc Misrep		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(tt) [No Fraud]		65,941
XXXX2023	XXXX5983	Employ/Inc Misrep		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(KK) [Fraud/Misrep]; A206 [Integrity of Info]		67,274
XXXX3149	XXXX5827	Employ/Inc Misrep		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(KK) [Fraud/Misrep]; A206 [Integrity of Info]		15,865
XXXX3842	XXXX5841	Employ/Inc Misrep		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(T) [Underwriting]; A202(KK) [Fraud, Misrep]		16,373
XXXX2985	XXXX5515	EPD Repurchase	Occupancy	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(tt) [No Fraud]	438,303
XXXX8298	XXXX9793	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		196,578
XXXX2864	XXXX5879	EPD Repurchase	Undisclosed Credit Issue	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(oo); 3.3(tt) [No Fraud]	369,054
XXXX3978	XXXX6865	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		361,488
XXXX0461	XXXX7695	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		329,100
XXXX2751	XXXX9145	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		289,348
XXXX6776	XXXX4851	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		284,621
XXXX5681	XXXX103	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		281,818

PC Loan # (Truncated)	RFC Loan # (Truncated)	Repurchase Reason 1	Repurchase Reason 2	Governing Document(s)	Repurch Reason 1 Breached Term(s) Sections	Repurch Reason 2 Breached Term(s) Sections	Settlement Amount
XXXX0455	XXXX4509	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		293,137
XXXX3318	XXXX4129	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		278,626
XXXX5838	XXXX4181	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		211,064
XXXX7844	XXXX8875	EPD Repurchase	Undisclosed Debt	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(oo) [Underwriting]; 3.3(tt) [No Fraud]	276,671
XXXX2325	XXXX663	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		265,454
XXXX3552	XXXX5931	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		231,466
XXXX7223	XXXX5205	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		245,232
XXXX2352	XXXX3939	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		241,110
XXXX6714	XXXX4843	EPD Repurchase	Occupancy	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(tt) [No Fraud]	161,247
XXXX4270	XXXX8291	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		234,609
XXXX5455	XXXX3739	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		166,025
XXXX2998	XXXX2719	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		182,692
XXXX5817	XXXX6949	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		194,070
XXXX7112	XXXX4209	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		181,187
XXXX1708	XXXX7229	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		166,707
XXXX9901	XXXX5691	EPD Repurchase	Occupancy	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(tt) [No Fraud]	155,195
XXXX8277	XXXX9447	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		64,787
XXXX7083	XXXX7437	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		139,448
XXXX6728	XXXX4845	EPD Repurchase	Occupancy	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(tt) [No Fraud]	151,618
XXXX4722	XXXX8331	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		125,889
XXXX5912	XXXX9635	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		146,947
XXXX4317	XXXX4149	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		129,978
XXXX6876	XXXX5139	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		120,010
XXXX6026	XXXX4777	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		80,645

PC Loan # (Truncated)	RFC Loan # (Truncated)	Repurchase Reason 1	Repurchase Reason 2	Governing Document(s)	Repurch Reason 1 Breached Term(s) Sections	Repurch Reason 2 Breached Term(s) Sections	Settlement Amount
XXXX5461	XXXX8553	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		129,310
XXXX4181	XXXX9687	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		108,194
XXXX5141	XXXX6921	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		121,250
XXXX2833	XXXX9151	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		112,661
XXXX2829	XXXX8565	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		117,242
XXXX2327	XXXX6797	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		108,955
XXXX0190	XXXX4469	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		79,679
XXXX0471	XXXX4513	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		102,839
XXXX8052	XXXX4107	EPD Repurchase	Employ/Inc Misrep	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(oo) [Underwriting]; 3.3(tt) [No Fraud]	100,878
XXXX5070	XXXX6915	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		102,413
XXXX7570	XXXX5245	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		81,253
XXXX8913	XXXX9911	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		92,641
XXXX1158	XXXX7207	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		88,185
XXXX7404	XXXX7455	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		14,001
XXXX0102	XXXX3911	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		84,788
XXXX6803	XXXX8665	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		84,847
XXXX8099	XXXX7057	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		87,124
XXXX8776	XXXX267	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		66,004
XXXX1202	XXXX7773	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		77,572
XXXX6615	XXXX6997	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		75,585
XXXX6721	XXXX737	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		82,509
XXXX5211	XXXX6923	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		76,776
XXXX9838	XXXX393	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		67,320
XXXX0130	XXXX9357	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		57,709
XXXX4070	XXXX4589	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		49,408

PC Loan # (Truncated)	RFC Loan # (Truncated)	Repurchase Reason 1	Repurchase Reason 2	Governing Document(s)	Repurch Reason 1 Breached Term(s) Sections	Repurch Reason 2 Breached Term(s) Sections	Settlement Amount
XXXX6601	XXXX8625	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		46,243
XXXX8126	XXXX7059	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		59,540
XXXX6275	XXXX9243	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		57,428
XXXX3953	XXXX3963	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		55,157
XXXX7034	XXXX5327	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		38,947
XXXX5500	XXXX5389	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		35,337
XXXX6830	XXXX8671	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		22,346
XXXX4500	XXXX6893	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		17,324
XXXX1348	XXXX7783	EPD Repurchase		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.3(oo) [PPTL compliance]; PPTL 30-day EPD		13,175
XXXX7767	XXXX2563	Non-Investment Quality	Citizenship	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(ww) [Investment Quality]	3.1(m); 3.3(tt) [No Fraud]; 3.3(yy) [Citizenship Status]	168,287
XXXX8502	XXXX4023	Occupancy		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(tt) [No Fraud]		482,974
XXXX8371	XXXX9811	Occupancy	Straw Buyer	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(tt) [No Fraud]	3.1(m); 3.3(a); 3.3(tt)	242,314
XXXX6834	XXXX2647	Occupancy		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(tt) [No Fraud]		223,118
XXXX3371	XXXX5697	Occupancy		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(KK) [Fraud; Misrep]; A300(A) [Occupancy]		210,565
XXXX4066	XXXX6439	Occupancy		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Information] and A300 [Occupancy]		226,105
XXXX8543	XXXX6201	Occupancy		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Information] and A300 [Occupancy]		203,480
XXXX2507	XXXX5523	Occupancy		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(KK) [Fraud, Misrep]; A300(A) [Primary Resid]		135,324
XXXX2965	XXXX8599	Occupancy	Employ/Inc Misrep	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(tt) [No Fraud]	3.1(m); 3.3(a); 3.3(oo) [Underwriting]; 3.3(tt)	125,779
XXXX9784	XXXX4799	Occupancy		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(KK) [Fraud, Misrep]; A300(A) [Primary Resid]		136,915
XXXX9790	XXXX377	Occupancy	Undisclosed Debt	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(tt) [No Fraud]	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(oo) [Underwriting]; 3.3(tt) [No Fraud]	119,711
XXXX8224	XXXX4161	Occupancy	Validity of Documentation	Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(KK) [Fraud; Misrep]; A300(A) [Occupancy]	A202(D) [Documents]; A202(KK); 302/303 [Required Signatures]	121,164
XXXX2580	XXXX841	Occupancy		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(tt) [No Fraud]		104,603

PC Loan # (Truncated)	RFC Loan # (Truncated)	Repurchase Reason 1	Repurchase Reason 2	Governing Document(s)	Repurch Reason 1 Breached Term(s) Sections	Repurch Reason 2 Breached Term(s) Sections	Settlement Amount
XXXX3609	XXXX6401	Occupancy		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Information] and A300 [Occupancy]		101,560
XXXX7947	XXXX6143	Occupancy	Asset Misrep	Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(KK) [Fraud; Misrep]; A300(A) [Occupancy]	A202(A); A202(T) [Appraisal]; A202(KK); A203(I) [Property Value]	81,063
XXXX8453	XXXX9829	Occupancy	Undisclosed Non-arms Length Transaction	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(tt) [No Fraud]	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(tt) [No Fraud]	73,145
XXXX2684	XXXX5849	Occupancy		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Information] and A300 [Occupancy]		76,960
XXXX8601	XXXX5753	Occupancy		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Information] and A300 [Occupancy]		70,818
XXXX9794	XXXX4801	Occupancy		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(KK) [Fraud, Misrep]; A300(A) [Primary Resid]		64,771
XXXX2512	XXXX5527	Occupancy		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(KK) [Fraud, Misrep]; A300(A) [Primary Resid]		59,876
XXXX4830	XXXX6485	Occupancy	Employ/Inc Misrep	Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Information] and A300 [Occupancy]	A202(A); A202(KK) [Fraud/Misrep]; A206 [Integrity of Info]	59,004
XXXX7345	XXXX3869	Occupancy	Undisclosed Debt	Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(KK) [Fraud, Misrep]; A300(A) [Primary Resid]	A202(A); A202(T) [Underwriting]; A202(KK)	36,825
XXXX7330	XXXX3865	Occupancy	Undisclosed Debt	Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(KK) [Fraud, Misrep]; 301(A) [Primary Resid]	A202(A); A202(T) [Underwriting]; A202(KK)	6,699
XXXX1334	XXXX539	Occupancy; Strawbuyer	Employ/Inc Misrep	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(tt) [No Fraud]	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(oo) [Underwriting]; 3.3(tt) [No Fraud]	117,758
XXXX4412	XXXX6461	Transaction Misrep	Undisclosed Non-arms Length Transaction	Client Contract, 7/19/00 and applicable Client Guides	A202(KK) [Fraud/Misrep]	B300(B) [Non-Arm's Length Transaction]	326,763
XXXX2360	XXXX6341	Transaction Misrep	Value Misrep	Client Contract, 7/19/00 and applicable Client Guides	A202(KK) [Fraud/Misrep]	A202(A) [Accuracy of Info]; A202(T) [Underwriting]; A202(KK); A203(I) [Property Value]; A206 [Integrity of Info]	258,838
XXXX5270	XXXX9995	Transaction Misrep	Undisclosed Non-arms Length Transaction	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(tt) [No Fraud]	3.1(m); 3.3(a) [Mortgage Loan Schedule]; 3.3(tt)	229,624
XXXX0517	XXXX5979	Transaction Misrep	Occupancy	Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(KK) [Fraud; Misrep]	A202(A); A202(KK); 301(A) [Primary Resid]	168,840
XXXX9238	XXXX313	Undisclosed Debt		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(oo) [Underwriting]; 3.3(tt) [No Fraud]		237,017
XXXX9591	XXXX1149	Undisclosed Debt		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(oo) [Underwriting]; 3.3(tt) [No Fraud]		141,504
XXXX4547	XXXX9891	Undisclosed Debt		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(oo) [Underwriting]; 3.3(tt) [No Fraud]		164,953

PC Loan # (Truncated)	RFC Loan # (Truncated)	Repurchase Reason 1	Repurchase Reason 2	Governing Document(s)	Repurch Reason 1 Breached Term(s) Sections	Repurch Reason 2 Breached Term(s) Sections	Settlement Amount
XXXX6426	XXXX5951	Undisclosed Debt	Occupancy	Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(T) [Underwriting]; A202(KK) [Fraud/Misrep]; A206 [Integrity of Info]	A202(A); A300 [Occupancy]	173,413
XXXX0667	XXXX1229	Undisclosed Debt	Compliance Issue (prepayment penalty in excess of state maximum)	Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(oo) [Underwriting]; 3.3(tt) [No Fraud]	3.3(k) [Compliance]	154,660
XXXX1425	XXXX6195	Undisclosed Debt		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(T) [Underwriting]; A202(KK) [Fraud/Misrep]; A206 [Integrity of Info]		124,748
XXXX2500	XXXX6221	Undisclosed Debt		Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(T) [Underwriting]; A202(KK) [Fraud/Misrep]; A206 [Integrity of Info]		120,924
XXXX0356	XXXX9249	Undisclosed Debt		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(tt) [No Fraud]; 3.3(oo) [Underwriting]		101,407
XXXX3676	XXXX5883	Undisclosed Debt	Value Misrep	Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(T) [Underwriting]; A202(KK) [Fraud/Misrep]; A206 [Integrity of Info]	A202(A); A202(T); A202(KK); A203(I) [Property Value]; A206 [Integrity of Info]	98,204
XXXX5699	XXXX8481	Undisclosed Debt		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(oo) [Underwriting]; 3.3(tt) [No Fraud]		45,829
XXXX0976	XXXX335	Undisclosed Debt		Mortgage Loan Purchase and Sale Agreement, 9/1/06	3.1(m) [Documentation]; 3.3(a) [Mortgage Loan Schedule]; 3.3(oo) [Underwriting]; 3.3(tt) [No Fraud]		49,604
XXXX6546	XXXX6009	Undisclosed Debt	Occupancy	Client Contract, 7/19/00 and applicable Client Guides	A202(A) [Accuracy of Info]; A202(T) [Underwriting]; A202(KK) [Fraud/Misrep]; A206 [Integrity of Info]	A202(A) and A300 [Occupancy]	43,454
Total							\$ 21,174,793

## **REPURCHASE CLAIM SETTLEMENT AGREEMENT**

In re: People's Choice Home Loan, Inc., et al (8:07-10765-RK jointly administered with  
8:07-10767-RK and 8:07-10772-RK)

This Settlement Agreement (the "Settlement Agreement") is entered into by and between Ronald F. Greenspan, in his representative capacity as the Trustee (the "Liquidating Trustee") of the Liquidating Trust (the "PCHLI Trust") of People's Choice Home Loan, Inc. ("PCHLI"), the Liquidating Trust (the "PCFI Trust") of People's Choice Funding, Inc. ("PCFI") and the Liquidating Trust (the "PCFC Trust") of People's Choice Financial Corporation ("PCFC") (the PCHLI Trust, the PCFI Trust and the PCFC Trust, collectively, the "PC Trusts"), on the one hand, and HomeComings Financial, LLC f/k/a HomeComings Financial Network, Inc. ("Claimant" or "HomeComings"), on the other hand, by and through those parties or their counsel, and is based on the following recitals:

### **RECITALS**

A. On or about March 20, 2007, each of PCHLI, PCFI, and PCFC (collectively, the "Debtors") filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Cases") in the United States Bankruptcy Court for the Central District of California, Santa Ana Division (the "PC Bankruptcy Court").

B. On May 14, 2012, HomeComings and certain of its affiliates filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York (the "HomeComings Bankruptcy Court"). HomeComings' bankruptcy case, which was assigned case number 12-12042, is jointly administered under the bankruptcy case of Residential Capital, LLC, which was assigned case number 12-12020 (the "HomeComings Bankruptcy Case").

C. On or about August 6, 2008, the PC Bankruptcy Court entered an order (the "Confirmation Order") confirming the Committee's First Amended Liquidating Plan under Chapter 11 of the Bankruptcy Code (the "Plan"). The Plan became effective on or about August 12, 2008. On the effective date of the Plan, and subject to the terms and conditions of the Plan and Confirmation Order, among other things, the "Liquidating Trust Agreement" for each of the PC Trusts became effective, and the Liquidating Trustee began to manage and administer the PC Trusts subject to the terms and conditions of the Liquidating Trust Agreements.

D. Pursuant to the Plan, and subject to the terms and conditions of the Plan, the Confirmation Order and the Liquidating Trust Agreement, the Liquidating Trustee is directed to administer the PC Trusts by, among other things, (i) reducing remaining property to cash, (ii) evaluating claims against the Debtors and objecting to, allowing or otherwise resolving such claims, (iii) evaluating and pursuing, releasing or otherwise resolving affirmative relief against third-parties, and (iv) making distributions of cash to Beneficiaries under and as defined in the Liquidating Trust Agreements.

E. Pursuant to a certain Asset Purchase Agreement for Mortgage Loans and/or REO Properties sold by PCHLI to HomeComings Financial Network, Inc., dated November 27, 2002 (as amended or modified by various Addenda, the "HomeComings APA"), HomeComings agreed to purchase certain loans (the "Mortgage Loans") from PCHLI, subject to repurchase or

cure obligations. Section 7.1 of the HomeComings APA states that, absent cure of a breach of representation or warranty (a "Representation or Warranty Breach"), PCHLI shall be required to repurchase the Mortgage Loans at the repurchase price (the "Repurchase Obligations").

F. On August 31, 2007, Claimant filed a proof of claim in PCHLI's chapter 11 case (the "Proof of Claim") identified as Claim No. 442 asserting a general unsecured claim against PCHLI in the amount of \$266,591.89 for damages suffered as a result of alleged breaches and Repurchase Obligations or cure obligations.

G. The Debtors and subsequently the Liquidating Trustee requested additional information and documents in support of the Proof of Claim, including *inter alia* the validity of the asserted breaches and the appropriateness and amount of the asserted losses and claims with respect to Repurchase Obligations or cure obligations, and the parties have negotiated in good faith to resolve the Proof of Claim and objections of the Liquidating Trustee thereto. The terms of the parties' agreement with respect to the Proof of Claim are memorialized below. .

H. Based on the Liquidating Trustee's review of the Proof of Claim and information and documentation provided by Claimant in support of the asserted Representation and Warranty Breaches and the amount of damages incurred by Claimant relating thereto, the Liquidating Trustee determined that the Allowed HomeComings Claim (defined below) should be allocated to the Mortgage Loans and in the amounts as set forth below and in **Exhibit A** hereto.

### TERMS

Based on the mutual promises contained herein and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Recitals Acknowledged. The foregoing recitals are true and correct to the best of the parties' knowledge, and are hereby adopted by the parties.

2. Allowance of General Unsecured Claim. The PC Trusts and Claimant hereby agree that Claim No. 442 shall be reduced and allowed as a general, unsecured, non-priority claim against PCHLI under the Debtors' Plan in the total amount of \$157,644 (the "Allowed HomeComings Claim"). The Allowed HomeComings Claim shall be allocated to the Mortgage Loans and in the amounts set forth in **Exhibit A** hereto which sets forth the agreed amount of the Claimant's damages for each of the identified Mortgage Loans.

3. Amendment to Proof of Claim. This Settlement Agreement serves as Claimant's "Amended Claim." After the Effective Date, the Trustee will update the claims management database to reflect the allowance of the Amended Claim against PCHLI in the amount of \$157,644 and will provide a copy of this Settlement Agreement to Kurtzman Carson Consultants LLC, the Debtors' Claims Agent. No further action need be taken by Claimant with respect to its Proof of Claim or the Amended Claim. By signing this Settlement Agreement, Claimant agrees and warrants that the Amended Claim is the sole claim that Claimant has, could assert, and will assert against the Liquidating Trustee, the Debtors, and/or the PC Trusts.

4. Effective Date of this Settlement Agreement. This Settlement Agreement shall become effective and binding upon execution of the Settlement Agreement by all of the parties hereto (the "Effective Date") and approval by the HomeComings Bankruptcy Court in the



HomeComings Bankruptcy Case. This Settlement Agreement shall be of no force or effect until it is executed by both parties and approval of the Homecomings Bankruptcy Court is obtained.

5. Authority. By signing this Settlement Agreement, each of the parties hereto represents that, subject to HomeComings Bankruptcy Court approval as to Homecomings, it has the full authority and power to enter into this Settlement Agreement and this Settlement Agreement is the legal, valid and binding obligation thereof.

6. Ownership of Claims, No Conflicts. Each Party represents that it is the sole and exclusive owner of all rights, interests, and claims being transferred, conveyed, released or compromised by it pursuant to this Settlement Agreement, subject to any lien (a "Lien") on such rights, interests or claims, if any, that may heretofore have been granted by such Party. Neither the execution and delivery of this Agreement by such Party nor the transfer, conveyance, release or compromise of such Party's rights, interests, and claims in accordance herewith shall require the approval or consent of the holder of any Lien or violate, conflict with, or constitute a default under or breach of any obligation of such Party with respect to such Lien. Each Party shall indemnify the other Party from and against any losses, claims or liabilities arising out of the breach of the representations by such Party in this Section.

7. Binding on Successors. This Settlement Agreement is intended by the parties to be binding upon their successors, agents, assigns, including bankruptcy trustees and estate representatives, and any parent, subsidiary or affiliated entity of each party.

8. Negotiation of Agreement. Each of the parties and their respective counsel has participated in the negotiation of the terms of this Settlement Agreement. All parties hereto represent and warrant that they have carefully read and fully understand all of the provisions of this Settlement Agreement and that they have voluntarily and knowingly signed this Settlement Agreement. This Settlement Agreement shall not be construed for or against either party based on the extent of either party's involvement with its drafting.

9. Entire Agreement. This Settlement Agreement is the entire agreement between the parties with respect to the subject matter hereof. This Settlement Agreement supersedes all prior and contemporaneous oral and written agreements and discussions among the parties concerning the subject matter of this Settlement Agreement.

10. Governing Law. This Settlement Agreement shall be governed by and construed in accordance with the law of the State of California, without regard to the principles thereof regarding conflicts of laws. The parties agree that the PC Bankruptcy Court shall have exclusive jurisdiction to determine all matters relating to this Settlement Agreement, other than any matters related to the HomeComings Bankruptcy Court's consideration and approval of this Settlement Agreement, and consent to venue in such Court.


11. Counterparts and Signatures. This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument. Facsimile signatures, or signatures transferred in PDF format, shall be treated as original signatures for all purposes.

12. Attorneys' Fees. Each party shall bear its or their own attorneys' fees, court costs

and related expenses incurred by or on behalf of said party in connection with this Settlement Agreement.

13. **Headings.** Headings within this Settlement Agreement are for convenient reference only and have no effect in limiting or extending the language of the provisions to which they refer.

Dated: November 14, 2012


  
Ronald F. Greenspan  
as Trustee of the PCHLI, PCFI and PCFC  
Liquidating Trusts

Dated: November \_\_, 2012

as \_\_\_\_\_ of HomeComings Financial, LLC

Approved as to form:  
This 19<sup>th</sup> day of November 2012:

Pachulski Stang Ziehl & Jones LLP

By   
Stanley E. Goldich  
Attorneys for the Liquidating Trustee

Approved as to form:  
This \_\_\_\_ day of November 2012:

Faegre Baker Daniels LLP

By \_\_\_\_\_  
Michael R. Stewart  
Attorneys for Claimant

and related expenses incurred by or on behalf of said party in connection with this Settlement Agreement.

13. Headings. Headings within this Settlement Agreement are for convenient reference only and have no effect in limiting or extending the language of the provisions to which they refer.

Dated: November \_\_, 2012

\_\_\_\_\_  
Ronald F. Greenspan  
as Trustee of the PCHLI, PCFI and PCFC  
Liquidating Trusts

Dated: November 14, 2012

\_\_\_\_\_  
*Deanna Horst*  
as SVP of HomeComings Financial, LLC

Approved as to form:

This \_\_\_\_ day of November 2012:

Pachulski Stang Ziehl & Jones LLP

By \_\_\_\_\_  
Stanley E. Goldich  
Attorneys for the Liquidating Trustee

Approved as to form:

This 16<sup>th</sup> day of November 2012:

Faegre Baker Daniels LLP

By *Michael R. Stewart*  
Michael R. Stewart  
Attorneys for Claimant

**People's Choice Home Loan, Inc.**  
**HomeComings Financial LLC**

PC Loan # (Truncated)	Homecomings Loan No. (Truncated)	Repurchase Reason	Governing Document(s)	Repurch Reason Breach Term(s) Sections	Settlement Amount
XXXX3326	XXX5936	Title claim	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	6.1(g), 6.3 (e)	\$ 22,179.77
XXXX8271	XXX7453	Violation TX law	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	Indemnification	15,300.86
XXXX8122	XXXX1299	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	1,072.30
XXXX1878	XXXX1083	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	454.60
XXXX5637	XXXX2655	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	2,005.56
XXXX9964	XXXX2643	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	1,476.80
XXXX0972	XXXX8613	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	2,460.67
XXXX1969	XXXX2645	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	164.64
XXXX1878	XXXX1083	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	412.02
XXXX8122	XXXX1299	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	237.79

PC Loan # (Truncated)	Homecomings Loan No. (Truncated)	Repurchase Reason	Governing Document(s)	Repurch Reason Breached Term(s) Sections	Settlement Amount
XXXX1138	XXXX1351	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	637.27
XXXX5039	XXXX1393	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	524.92
XXXX3443	XXXX1861	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	342.39
XXXX4445	XXXX2639	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	471.71
XXXX7144	XXXX2433	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	544.78
XXXX4445	XXXX2639	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	428.83
XXXX7144	XXXX2433	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	546.58
XXXX1965	XXXX2627	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	1,870.11
XXXX2006	XXXX2399	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	671.65
XXXX1878	XXXX1083	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	381.33
XXXX8122	XXXX1299	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	224.01

PC Loan # (Truncated)	Homecomings Loan No. (Truncated)	Repurchase Reason	Governing Document(s)	Repurch Reason Breached Term(s) Sections	Settlement Amount
XXXX1138	XXXX1351	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	605.34
XXXX3443	XXXX1861	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	295.83
XXXX4735	XXXX1875	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	1,757.88
XXXX5802	XXXX1109	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	926.82
XXXX0972	XXXX8613	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	2,446.93
XXXX7410	XXXX1323	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	311.46
XXXX5039	XXXX1393	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	454.86
XXXX5239	XXXX1073	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	1,702.35
XXXX7626	XXXX1863	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	2,277.99
XXXX4772	XXXX8629	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	933.40
XXXX7273	XXXX1339	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	5,012.28

PC Loan # (Truncated)	Homecomings Loan No. (Truncated)	Repurchase Reason	Governing Document(s)	Repurch Reason Breached Term(s) Sections	Settlement Amount
XXXX7144	XXXX2433	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	188.48
XXXX2006	XXXX2399	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	214.52
XXXX8488	XXXX1125	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	174.11
XXXX8488	XXXX1125	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	184.11
XXXX1543	XXXX1363	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	6,600.39
XXXX4490	XXXX1865	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	1,065.15
XXXX5705	XXXX1095	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	881.56
XXXX8697	XXXX1107	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	2,045.51
XXXX8681	XXXX1113	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	2,442.44
XXXX8488	XXXX1125	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	1,015.98
XXXX5260	XXXX1185	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	2,371.87

PC Loan # (Truncated)	Homecomings Loan No. (Truncated)	Repurchase Reason	Governing Document(s)	Repurch Reason Breached Term(s) Sections	Settlement Amount
XXXX2100	XXXX1335	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	1,293.91
XXXX1572	XXXX1355	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	1,509.86
XXXX0609	XXXX1369	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	719.63
XXXX2727	XXXX1373	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	181.30
XXXX7900	XXXX1379	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	2,092.31
XXXX0764	XXXX1443	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	2,206.19
XXXX9062	XXXX1887	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	1,896.74
XXXX9083	XXXX1889	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	1,684.06
XXXX5959	XXXX1939	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	3,310.75
XXXX9668	XXXX1953	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	3,090.35
XXXX2105	XXXX8623	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	1,530.33



PC Loan # (Truncated)	Homecomings Loan No. (Truncated)	Repurchase Reason	Governing Document(s)	Repurch Reason Breached Term(s) Sections	Settlement Amount
XXXX5577	XXXX1365	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	1,321.92
XXXX8697	XXXX1107	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	1,158.81
XXXX2115	XXXX1105	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	1,562.94
XXXX1572	XXXX1355	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	1,202.13
XXXX5705	XXXX1095	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	998.64
XXXX8488	XXXX1125	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	4,227.12
XXXX5260	XXXX1185	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	2,229.84
XXXX7900	XXXX1379	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	706.23
XXXX6394	XXXX2509	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	583.42
XXXX3384	XXXX1291	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	1,878.22
XXXX5033	XXXX1367	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	453.92

PC Loan # (Truncated)	Homecomings Loan No. (Truncated)	Repurchase Reason	Governing Document(s)	Repurch Reason Breached Term(s) Sections	Settlement Amount
XXXX1993	XXXX1201	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	507.31
XXXX0450	XXXX1245	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	2,463.55
XXXX2921	XXXX8625	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	2,196.60
XXXX7537	XXXX2571	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	823.33
XXXX0077	XXXX2593	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	1,395.12
XXXX3025	XXXX2423	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	4,851.29
XXXX1912	XXXX2537	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	2,791.40
XXXX4042	XXXX2559	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	10,919.15
XXXX9471	XXXX2597	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	2,785.73
XXXX0032	XXXX2599	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	560.47
XXXX6738	XXXX2567	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	2,550.18

PC Loan # (Truncated)	Homecomings Loan No. (Truncated)	Repurchase Reason	Governing Document(s)	Repurch Reason Breached Term(s) Sections	Settlement Amount
XXXX6606	XXXX2429	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	611.32
XXXX7289	XXXX2569	Delinquent Taxes	Asset Purchase Agreement for Mortgage Loans and/or REO Properties, 11/27/02	3.9 (a), 6.2(a)	3,031.58
Total					\$ 157,643.50